GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO.4436
ANSWERED ON 11/12/2003
INDO-BHUTAN TIES
ALIS NARENDRA TEJVEER SINGH

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether India and Bhutan propose to collaborate in certain sectors;

(b) if so, the details thereof; and

(c) the present status thereof?

Answer

MINISTER OF STATE FOR EXTERNAL AFFAIRS (SHRI AJIT KUMAR PANJA)

(a) Yes sir. The sectors for collaboration with Bhutan are inter-alia, as given below:

(i) Hydroelectric Power sector;

(ii) Various infrastructure projects in Bhutan;

(iii) Agricultural cooperation with Bhutan; and

(iv) Health and Education sectors.

(b) and (c)

(i) India has already completed the 336 MW Chukha hydel project and is currently executing the execution of two more hydel projects in Bhutan, namely, Tala Hydro-electric Project (1020 MW) and Kurichu Hydro-electric Project (60 MW). The former project is likely to be commissioned by 2006/2007 and the latter by the year 2008. Both the projects are being financed through the Plan Budget of Government of India with 30% grant and 70% loan component. The Government of India is committed under the agreements in both the projects to purchase the surplus power available from these projects. The Government of India is also in discussions with the Royal Government of Bhutan to explore the possibilities of further collaboration in the hydel sector.

(ii) The Government of India have agreed to support the Bhutanese Eighth Five Year Plan to the extent of Rs. 500 crores, spread over the period 1997-2002. This comprises Rs. 400 crores as development subsidy and Rs. 100 crores as project-tied assistance. In recent years, emphasis has been on the promotion of development of infrastructure including the construction of roads, bridges, etc. India also provides technical expertise and opportunity to Bhutan in the fields of geological & hydel surveys, forestry, industry, education and telecommunications. The Government of India is also assisting in the establishment of Penjikha Cement Plant with an annual capacity of 0.5 million tons per year, with Rs. 300 crores as assistance for construction of the plant.

(iii) Agricultural Cooperation with Bhutan - In July, 2002, the Secretary Agriculture & Cooperation and the Secretary (Agricultural Research and Cooperation) visited Bhutan. The two sides decided to develop strong institutional linkages and identify the fields of interest between the two countries such as crop improvement with specific reference to crops like rice, wheat, maize and their productivity improvement; horticulture development programme; cooperation in the field of agricultural machinery and NRM management, particularly with reference to students' scholarships, a short-term training, technical assistants and transfer of technology.

(iv) Health and Education Sectors : Under ITC scheme of Colombo Plan, ICWA scheme and SAC to Bhutan , every year around 100 Bhutanese students are granted scholarships to study in various institutions of higher learning in India. India is also assisting for the construction of two hospitals in Mongar and Phuntsholing.